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respect to American readers, not so much in the scientific discussions prefixed to each chapter, admirable as they are, as in the thoroughly complete and clear presentation of the history and actual condition of each tax in the Italian commonwealth. The book on which we have hitherto been compelled to depend for our knowledge of Italian finance is Morpurgo's small work, *La Finanza*, of ten years ago. Alessio's work is incomparably fuller, and it must be said also much abler. The system of public revenues as elaborated in the last twenty-five years is composed of the following elements: The taxes on real estate, including the land tax (*l'imposta dei terreni*) and the house tax (*l'imposta dei fabbricati*); the tax on the profits of personal property or movables (*l'imposta sui redditi della ricchezza mobile*); the usual indirect taxes including custom duties (*dazii di confine*); and a large variety of fees (*tasse*). Most interesting is the discussion in the second volume on the general property and income tax, to which I shall have to refer at another time and place. Of great value also is the discussion of the principles of local taxation in chapter thirteen, which Alessio rightly declares to be one of the most difficult parts of the science of finance. It will suffice here to call the attention of students to this admirable production which has been given us for Italy, a work even better than that which Kaufmann some years ago did for France. It will rank among the leading works on taxation.

EDWIN R. A. SELIGMAN.

Die landwirtschaftliche Konkurrenz Nordamerikas in Gegenwart und Zukunft. Landwirtschaft, Kolonisation und Verkehrswesen in den Vereinigten Staaten und in British-Nordamerika. Auf Grund von Reisen und Studien dargestellt von MAX SERING. Leipzig, 1887.—8vo, xxvi, 759 pp.

As early as 1879 the British parliament appointed a commission to inquire into the depressed condition of the agricultural interests of England. This commission sent two of its members to the United States and a third to Canada in order to investigate the extent to which American competition was responsible for the fall of prices and of rents, and made its final report in 1882. Meantime the continent was beginning to feel the results of bad harvests and large importations as well as England. In 1881 Max Wirth published his book on *Die Krisis in der Landwirtschaft*, and this was followed by a large number of publications dealing with the same subject. One of the most extensive of these was Dr. Rudolf Meyer's *Ursachen der Amerikanischen Konkurrenz*, a volume of over 800 pages, based upon a journey undertaken by the author in 1881 and 1882.

Dr. Meyer's book is cast in the form of a narrative rather than in that of a systematic discussion of the topic announced on his title-page, but he evidently made a careful study of the details of the subject, the cost of production in different parts of the country, the cost of transportation, and the other economic conditions of the problem, and his conclusion was that the production of wheat was likely to increase at a very rapid rate. He even went so far as to prophesy that the quantity exported from the United States in 1885 would be 150,000,000 bushels more than in 1880, and would amount to 350,000,000 bushels. Dr. Meyer also took occasion to condemn the policy which had been adopted by the German government since 1879, and which has, since he wrote, been carried still further, of checking foreign competition by means of import duties. It is interesting to recall that until 1879 wheat was on the free list. The tariff act of that year taxed wheat at the rate of one mark for every 100 kilogrammes and flour at the rate of 2 marks. In 1881 the duty on flour was raised to 3 marks, and in 1885 the duty on wheat was raised to 3 marks and on flour to 7.50 marks.

More than a year before the publication of Dr. Meyer's book, which took place in 1883, the Prussian government had commissioned Dr. Sering to study the same question and were so well satisfied with a preliminary report which he made, that it was decided to send him to this country in order that he might get the advantages of personal observation. This journey, the expenses of which were paid out of the funds of the *Friedrich-Wilhelm-Victoria-Stiftung* with the personal consent of the Crown Prince, lasted from February, 1883, to September of the same year and covered all of the most important wheat-producing regions of the United States and Canada.

The present volume, which is the result of that journey, is not a description of a holiday trip in the United States or a book of personal reminiscences. It is a careful, scientific investigation of the conditions of American competition. Three pages only at the end of the preface are devoted to a skeleton of the author's journey. The book proper begins with a long introductory section of 200 pages containing a description of the natural bases of agriculture in our country, the soil, the climate, the migration of population, the governmental land-policy, the technical peculiarities of American farming and kindred topics. The author then proceeds to answer for the several natural divisions of the wheat-growing area of the United States and Canada two questions: (1) How large an area of land suitable for the production of cereals still remains to be settled? (2) How rapidly is the settlement of this area likely to take place? Three great sections of the country, the Pacific coast, Canada, and the wheat-zone east of the Rocky mountains, are thus taken up one by one and studied with reference to their geological

and meteorological characteristics, their population and their means of transportation.

This investigation of the wheat question takes up the greater part of the book, but over 100 pages are given to cattle, sheep and swine, while a short appendix treats of sugar, beer-brewing, hop-culture and distilling.

The conclusions reached by Professor Sering are quite different from those reached by Dr. Meyer. He considers the competition of American wheat to be much less dangerous to German agriculture than that of American beef and thinks that most authors tend to exaggerate the possibilities of the former. It is true that the wheat area can, in spite of its enormous extension between 1870 and 1880, still be increased by an area greater than that occupied in 1880. That is to say, the land devoted to wheat alone in the United States and Canada in 1880 was about 40,000,000 acres, while about 50,000,000 acres may still be added to it. This, of course, represents but a small portion of the agricultural land of all kinds still waiting to be occupied. In the wheat-belt east of the Rocky mountains alone there were 159,000,000 acres suitable for agriculture still unused in 1880, an area equal to the entire productive land of Germany, German Austria and Hungary combined. Moreover most of this area lies in the prairies, where new railroads can be built with great rapidity and economy. The reasons which move the author, in spite of these striking facts, to take a comparatively sanguine view of the situation are the following: The circumstances are no longer as favorable to a rapid settlement as formerly, since the best of the land that can be taken up under the Homestead act or bought for very low prices of the railroads is already occupied. In addition to this the cultivation of wheat in America is, even with normal prices, not very profitable, and the depression of prices in recent years has actually brought about a contraction of the wheat area since 1885. If it is remembered that the population of the countries which consume our wheat, that is to say North and Central America, the West Indies and Europe west of Russia, increases at the rate of about $3\frac{1}{2}$ millions a year, it seems reasonable to expect that there will be a rise in the price of wheat within a short time. The only thing that is liable to prevent this is a cheapening of freights through improvements in the means of transportation, and such improvements, if made, are sure to require a long time for their construction. The present crisis is, therefore, to be regarded as temporary, the result of the rapid settlement of new parts of the earth and of the extension of the railroad system. Its speedy cure is to be looked for mainly in the increasing expense and difficulty of settlement in North America. As a corollary to this conclusion the author holds that the protective duties on wheat and flour, laid within recent years in Germany,

are justified as a measure intended to prevent the cultivators of the soil from being ruined by what is merely a temporary crisis, though he frankly admits that this is done at the expense of the poorer portion of the community, since it prevents the wage-receivers from getting the benefit of cheaper food.

There is no doubt that the statistics of recent years present a strong confirmation of Professor Sering's view. They certainly have not strengthened Dr. Meyer's reputation as a prophet. In the face of his prediction that the exportation of American wheat would reach 350,000,000 bushels in 1885, the actual figures [the exportations of flour being reduced to terms of wheat in the ratio of $4\frac{1}{2}$ bushels of wheat to one barrel of flour] have been as follows :

1880	180,304,180		1883	147,811,316
1881	186,321,514		1884	111,534,182
1882	121,892,389		1885	132,570,366

On the other hand one cannot help asking whether the present falling off in our exportation may not be as temporary as its great expansion a few years ago. It certainly seems to us that the author has attached an undue importance to the increase of the price of land in the United States, particularly when he allows for it in estimating the cost of production of wheat. The price of land is a consequence, not a cause of the price of wheat, and if it has been raised by speculation above the price that corresponds to its productive power, is it not reasonable to suppose that, with the reaction that is sure to come in the price of land, and with the increase in the price of wheat, there will be another period of rapid production, and that, until all the land is settled, we shall be subject to these alternations? In raising this question we do not mean to dissent from Professor Sering's conclusion but rather to suggest a possible extension of it.

The book gives evidence throughout of great research and knowledge of the details of the subject; the arrangement of the material is clear; the discussions are conducted in a broad spirit; and an alphabetical index makes the work especially valuable for purposes of reference.

HENRY W. FARNAM.

Capital and its Earnings. By JOHN B. CLARK, A.M., Professor of History and Political Science, Smith College. Publications of the American Economic Association, Vol. III, No. 2, 1888.—8vo, 69 pp.

Professor Clark begins his monograph with an excellent discussion of the nature of capital. He finds that the word capital in economic science stands for two unlike conceptions. Capital, from one stand-